SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ________________

Commission file number: 0-28493

O'Sullivan Industries Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	43-1659062
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1900 Gulf Street, Lamar, Missouri	64759-1899
(Address of principal executive offices)	(ZIP Code)

(417) 682-3322

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ____ No __X__

As of May 10, 2004, 1,368,000 shares of common stock of O'Sullivan Industries Holdings, Inc., par value $0.01 per share, were outstanding.

The Index to Exhibits is on page 33.

PART I

ITEM 1. FINANCIAL STATEMENTS.

O'SULLIVAN INDUSTRIES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(in thousands, except for share data)

Assets	March 31, 2004	June 30, 2003
Current assets:		
Cash and cash equivalents	$ 17,623	$ 7,977
Trade receivables, net of allowance for doubtful accounts of $2,756 and $2,978, respectively	27,577	25,032
Inventories, net	52,615	52,426
Prepaid expenses and other current assets	2,764	2,772
Total current assets	100,579	88,207
Property, plant and equipment, net	64,083	71,867
Other assets	8,953	9,226
Goodwill, net of accumulated amortization	38,088	38,088
Total assets	$ 211,703	$ 207,388
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 14,959	$ 10,006
Current portion of long-term debt	–	4,039
Accrued advertising	8,492	9,493
Accrued liabilities	16,974	12,043
Payable to RadioShack	4,076	6,798
Total current liabilities	44,501	42,379
Long-term debt, less current portion	218,478	209,405
Mandatorily redeemable senior preferred stock (Note 4)	25,128	–
Other liabilities	9,614	6,762
Payable to RadioShack	67,991	65,269
Total liabilities	365,712	323,815
Commitments and contingent liabilities (Notes 9, 10 and 11)		
Mandatorily redeemable senior preferred stock (Note 4)	–	21,933
Stockholders' deficit:		
Junior preferred stock, Series A, $0.01 par value; 100,000 shares authorized, none issued	–	–
Junior preferred stock, Series B, $0.01 par value; at liquidation value including accumulated dividends; 1,000,000 shares authorized, 529,009.33 issued	94,889	85,682
Common stock, $0.01 par value; 2,000,000 shares authorized, 1,368,000 issued	14	14
Additional paid-in capital	13,053	13,053
Retained deficit	(264,307)	(237,062)
Notes receivable from employees	(361)	(343)
Accumulated other comprehensive income	2,703	296
Total stockholders' deficit	(154,009)	(138,360)
Total liabilities and stockholders' deficit	$ 211,703	$ 207,388

The accompanying notes are an integral part of these consolidated financial statements.

O'SULLIVAN INDUSTRIES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	Three months ended March 31, 2004	Three months ended March 31, 2003	Nine months ended March 31, 2004	Nine months ended March 31, 2003
Net sales	$ 73,239	$ 86,866	$ 209,937	$ 237,534
Cost of sales	57,797	65,620	165,598	176,588
Gross profit	15,442	21,246	44,339	60,946
Operating expenses:				
Selling, marketing and administrative	12,143	12,056	34,216	35,733
Restructuring charge	–	540	–	540
Casualty loss	–	–	250	–
Total operating expenses	12,143	12,596	34,466	36,273
Operating income	3,299	8,650	9,873	24,673
Other income (expense):				
Interest expense	(8,648)	(6,022)	(25,286)	(18,646)
Interest income	10	56	53	162
Other financing costs, net	–	–	(2,678)	–
Income (loss) before income tax provision	(5,339)	2,684	(18,038)	6,189
Income tax provision	–	–	–	–
Net income (loss)	(5,339)	2,684	(18,038)	6,189
Dividends and accretion on preferred stock	(3,209)	(3,747)	(9,207)	(10,711)
Net loss attributable to common stockholders	$ (8,548)	$ (1,063)	$ (27,245)	$ (4,522)

The accompanying notes are an integral part of these consolidated financial statements.

O'SULLIVAN INDUSTRIES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine months ended March 31, 2004	Nine months ended March 31, 2003
Cash flows provided by operating activities:		
Net income (loss)	$ (18,038)	$ 6,189
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	9,685	10,289
Amortization of debt issuance cost	1,263	1,207
Amortization of debt discount and accrued interest on senior note	2,982	2,308
Interest and accretion on senior preferred stock	3,195	–
Interest rate collar	–	(2,091)
Bad debt expense	101	732
Gain (loss)on disposal of assets	(81)	113
Impairment of long-lived assets	–	540
Debt extinguishment costs, net	2,678	–
Accrual of special payment on options to purchase Series A junior preferred stock	1,053	919
Changes in assets and liabilities:		
Trade receivables	(2,646)	(23)
Inventories	(189)	10,388
Other assets	143	91
Payable to RadioShack	–	(6,193)
Accounts payable and accrued liabilities	12,333	(1,087)
Net cash provided by operating activities	12,479	23,382
Cash flows used for investing activities:		
Capital expenditures	(1,538)	(4,827)
Cash flows used for financing activities:		
Proceeds from borrowings	95,000	–
Repayment of borrowings	(92,265)	(16,739)
Debt issuance costs	(4,030)	–
Net cash flows used for financing activities	(1,295)	(16,739)
Net increase in cash and cash equivalents	9,646	1,816
Cash and cash equivalents, beginning of period	7,977	15,777
Cash and cash equivalents, end of period	$ 17,623	$ 17,593
Non-cash investing and financing activities:		
Capital expenditures included in accounts payable	$ 170	$ 166
Dividends accrued but not paid	9,207	11,099

The accompanying notes are an integral part of these consolidated financial statements.

O'SULLIVAN INDUSTRIES HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

For the nine months ended March 31, 2004

(in thousands)

	Series B junior preferred stock		Common stock							
	Shares	Dollars	Shares	Dollars	Additional paid-in capital	Retained deficit	Notes receivable from employees	Accumulated other comprehensive income	Total stock-holders' deficit	Compre-hensive income (loss)
Balance, June 30, 2003	529	$ 85,682	1,368	$ 14	$ 13,053	$ (237,062)	$ (343)	$ 296	$ (138,360)	
Net loss						(18,038)			(18,038)	$ (18,038)
Cumulative translation adjustments								2,407	2,407	2,407
Loans to employees–interest income							(18)		(18)	
Dividends and accretion on junior preferred stock		9,207				(9,207)			–	
Balance, March 31, 2004	529	$ 94,889	1,368	$ 14	$ 13,053	$ (264,307)	$ (361)	$ 2,703	$ (154,009)	$ (15,631)

The accompanying notes are an integral part of these consolidated financial statements.

O'SULLIVAN INDUSTRIES HOLDINGS, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2004

Note 1—Basis of Presentation

The unaudited consolidated financial statements of O’Sullivan Industries Holdings, Inc. and subsidiaries (“O’Sullivan”) included herein have been prepared in accordance with generally accepted accounting principles for interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The financial statements should be read in conjunction with the audited financial statements and notes thereto included in O'Sullivan's Annual Report on Form 10-K for the fiscal year ended June 30, 2003. The interim results are not necessarily indicative of the results that may be expected for a full year.

Note 2—Refinancing of Long-Term Debt

On September 29, 2003, O’Sullivan Industries, Inc. (“O’Sullivan Industries”) issued $100.0 million of privately placed, 10.63% senior secured notes maturing on October 1, 2008. The notes were issued at a price of 95%, providing $95.0 million in cash proceeds before expenses related to the issuance, which were about $3.8 million. The proceeds were used to repay the term loans under O’Sullivan’s senior credit facility. The notes are secured by a first-priority security interest in and lien on substantially all of O’Sullivan’s assets (and on O’Sullivan Industries’ capital stock) other than accounts receivable, inventory, capital stock of O’Sullivan Industries’ subsidiaries, deposit accounts, certain books and records and certain licenses, and by a second-priority security interest in and lien on substantially all of O’Sullivan’s accounts receivable, inventory, deposit accounts, certain books and records and certain licenses. The notes are guaranteed by O’Sullivan, O’Sullivan Industries - Virginia, Inc. (“O’Sullivan Industries - Virginia”) and O’Sullivan Furniture Factory Outlet, Inc. On December 23, 2003, O’Sullivan Industries filed a registration statement with respect to an offer to exchange the notes for a new issue of identical notes registered under the Securities Act of 1933, as amended. The registration statement became effective on January 8, 2004. The exchange offer closed on February 25, 2004.

On September 29, 2003, O'Sullivan Industries, O’Sullivan Industries - Virginia and O’Sullivan Furniture Factory Outlet, Inc. also entered into a new five-year asset-based credit agreement which permits revolving borrowings of up to $40.0 million to the extent of availability under a collateral borrowing base. The borrowing base at March 31, 2004 was approximately $35.0 million. The credit agreement has a $25.0 million sub-limit for letters of credit, of which O’Sullivan Industries is currently utilizing approximately $14.0 million. The credit agreement is secured by a first-priority security interest in and lien on substantially all of O’Sullivan’s accounts receivable, inventory, deposit accounts, certain books and records and certain licenses, and a second-priority security interest in and lien on substantially all of O’Sullivan’s assets other than accounts receivable, inventory, capital stock of O’Sullivan Industries and its subsidiaries, deposit accounts, certain books and records and certain licenses. O’Sullivan guaranteed the obligations under the credit agreement. The interest rate on loans under the credit agreement is a LIBOR rate plus 2.5% or an index rate plus 1.0%. A fee equal to 0.5% per annum is paid on the unused commitment under the credit agreement. No loans were outstanding under the revolving credit agreement as of March 31, 2004.

In connection with the repayment of the term loans and the termination of the revolving credit facility under the previous senior credit facility, O’Sullivan expensed approximately $3.1 million of unamortized issuance costs related to the previous senior credit facility in the first quarter of fiscal 2004. These costs are included in other financing costs in the consolidated statement of operations.

Long term debt consisted of the following:

	March 31, 2004	June 30, 2003
	(in thousands)	
Senior term loan, tranche A	$ –	$ 10,593
Senior term loan, tranche B	–	77,673
Industrial revenue bonds	10,000	10,000
Senior secured notes	95,377	–
Senior subordinated notes	92,130	95,743
Senior note	20,971	19,435
Total debt	218,478	213,444
Less current portion	–	(4,039)
Total long-term debt	$ 218,478	$ 209,405

Total debt, including the discount, net of accretion, of $4.6 million on the senior secured notes, $3.9 million on the senior subordinated notes and $2.6 million on the senior note, matures as follows (in thousands):

Fiscal year ending June 30,	
2004	$ –
2005	–
2006	–
2007	–
2008	–
Thereafter	229,569
	$ 229,569

Note 3—Derivative Financial Instruments

As required under O'Sullivan's previous senior credit facility, O'Sullivan hedged one-half of its term loans with an initial notional amount of $67.5 million with a three-year, costless interest rate collar. The collar, which expired in March 2003, was based on three-month LIBOR and had a floor of 6.43% and a ceiling of 8.75%. For the three months and nine months ended March 31, 2003, O'Sullivan recorded reduced interest expense of $783,000 and $2.1 million, respectively. These amounts represented the change in fair value of the interest rate collar.

Note 4—New Accounting Standards

In May 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.* This pronouncement changes the accounting for certain financial instruments that, under previous guidance, could be accounted for as equity and requires that those instruments be classified as liabilities (or assets in certain circumstances) on the balance sheet. SFAS 150 also requires disclosures about alternative ways of settling the instruments and the capital structure of entities all of whose shares are mandatorily redeemable. SFAS 150 is generally effective for all financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. O'Sullivan adopted SFAS 150 on July 1, 2003 and reclassified its mandatorily redeemable senior preferred stock as a non-current liability, instead of as an item between the liabilities and equity sections of the balance sheet as historically presented. Prior period amounts have not been restated in accordance with this statement.

On November 30, 1999, O'Sullivan issued 16,431,050 shares of mandatorily redeemable senior preferred stock with a liquidation value of $1.50 per share. O'Sullivan's amended and restated certificate of incorporation authorized the issuance of 17,000,000 shares of mandatorily redeemable senior preferred stock, which has a par value of $0.01 per share. O'Sullivan may, at its option, redeem the stock at any time. O'Sullivan is required to redeem the outstanding shares of stock if an unaffiliated third party acquires more than 50% of O'Sullivan's outstanding common stock. O'Sullivan is required to redeem the stock if outstanding on November 30, 2011 at a price equal to the initial liquidation value plus unpaid dividends accruing on a daily basis at the rate of 12% per year. If O'Sullivan does not pay dividends in cash on June 30 or December 31 of each year, then dividends will also accrue on the unpaid dividends as of that date. Liquidation value plus accrued dividends at March 31, 2004 and June 30, 2003 was $40.9 million and $37.4 million, respectively. The mandatorily redeemable senior preferred stock is recorded at its present value of $25.1 million and $21.9 million, including accrued dividends and accretion, at March 31, 2004 and June 30, 2003, respectively.

Also in accordance with SFAS 150, dividends on mandatorily redeemable financial instruments are now accounted for as interest expense on the consolidated statement of operations instead of as dividends and accretion on preferred stock. Interest expense for the senior preferred stock was approximately $3.2 million during the first nine months of fiscal 2004. Adoption of SFAS 150 did not affect O'Sullivan's cash payments or liquidity.

In January 2003, the FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51* ("FIN 46"). FIN 46 establishes accounting guidance for consolidation of variable interest entities that function to support the activities of the primary beneficiary. FIN 46 applies to any business enterprise, public or private, that has a controlling interest, contractual relationship or other business relationship with a variable interest entity. In December 2003, the FASB issued Interpretation No. 46(R) ("FIN 46(R)") which supercedes FIN 46. FIN 46(R) is effective for all Special Purpose Entities ("SPE's") created prior to February 1, 2003 at the end of the first interim or annual reporting period ending after December 15, 2003. FIN 46(R) will be applicable to all non-SPE's created prior to February 1, 2003 by public entities at the end of the first interim or annual reporting period ending after March 15, 2004. O'Sullivan has determined that it has no SPE's. O'Sullivan reviewed the applicability of FIN 46(R) to entities other than SPE's and has determined that the adoption of FIN 46(R) did not have a material effect on its consolidated financial statements.

Note 5—Stock Based Compensation

O'Sullivan accounts for stock-based compensation for employees under Accounting Principles Board ("APB") Opinion No. 25, *Accounting for Stock Issued to Employees*, and has elected the disclosure-only alternative under SFAS 123. No stock-based compensation cost is recorded, as all options granted have an exercise price equal to the market value of the stock on the date of the grant. In accordance with SFAS 148, the following table presents the effect on net income (loss) had compensation cost for O'Sullivan's stock plans been determined consistent with SFAS 123:

	Three months ended March 31,		Nine months ended March 31,	
	2004	2003	2004	2003
	(in thousands)			
Net income (loss) as reported	$ (5,339)	$ 2,684	$ (18,038)	$ 6,189
Less: total stock-based compensation expense determined under fair value method for all stock options, net of related income tax	–	(2)	(3)	(5)
Pro forma net income (loss)	$ (5,339)	$ 2,682	$ (18,041)	$ 6,184

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the vesting period. O'Sullivan did not grant any options during the nine months ended March 31, 2004 and 2003.

Note 6—Shipping and Handling Costs

O'Sullivan reports amounts billed to customers as revenue, the cost for warehousing operations in cost of sales and freight out costs as part of selling, marketing and administrative expenses. Freight out costs included in selling, marketing and administrative expenses in the third quarters of fiscal 2004 and fiscal 2003 were approximately $2.1 million and $1.3 million, respectively. Freight out costs in the nine months ended March 31, 2004 and 2003 were $5.3 million and $4.9 million, respectively.

Note 7—Inventory

Inventory, net, consists of the following:

	March 31, 2004	June 30, 2003
	(in thousands)	
Finished goods	$ 31,918	$ 37,744
Work in process	5,053	3,923
Raw materials	15,644	10,759
	$ 52,615	$ 52,426

Note 8—Condensed Consolidating Financial Information

In September 2003 O'Sullivan Industries issued $100 million of 10.63% senior secured notes due 2008. These notes are secured by substantially all the assets of O'Sullivan Industries and its guarantor subsidiaries O'Sullivan Industries - Virginia and O'Sullivan Furniture Factory Outlet, Inc. The senior secured notes are also guaranteed by O'Sullivan Holdings. The guarantees are full and unconditional. Security for the senior secured notes includes first priority liens and security interests in the stock of O'Sullivan Industries. In the third quarter of fiscal 2004, O'Sullivan exchanged the senior secured notes issued un September 2003 for notes with substantially identical terms and associated guarantees. The exchange notes have been registered under the Securities Act of 1933, as amended.

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC rules and regulations.

Condensed Consolidating Statements of Operations

	Three months ended March 31, 2004 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ –	$ 62,217	$ 11,022	$ –	$ 73,239
Cost of sales	–	47,685	10,112	–	57,797
Gross profit	–	14,532	910	–	15,442
Operating expenses:					
Selling, marketing and administrative	119	10,840	1,184	–	12,143
Operating income (loss)	(119)	3,692	(274)	–	3,299
Other income (expense):					
Interest expense	(1,920)	(6,504)	(224)	–	(8,648)
Interest income	6	4	–	–	10
Equity in loss of subsidiary	(3,306)	(498)	–	3,804	–
Loss before income tax provision	(5,339)	(3,306)	(498)	3,804	(5,339)
Income tax provision	–	–	–	–	–
Net loss	(5,339)	(3,306)	(498)	3,804	(5,339)
Dividends and accretion on preferred stock	(3,209)	–	–	–	3,209
Net loss attributable to common stockholders	$ (8,548)	$ (3,306)	$ (498)	$ 3,804	$ (8,548)

	Three months ended March 31, 2003 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ –	$ 59,824	$ 27,042	$ –	$ 86,866
Cost of sales	–	44,368	21,252	–	65,620
Gross profit	–	15,456	5,790	–	21,246
Operating expenses:					
Selling, marketing and administrative	116	9,466	2,474	–	12,056
Restructuring charge	–	540	–	–	540
Operating income (loss)	(116)	5,450	3,316	–	8,650
Other income (expense):					
Interest expense	(705)	(5,202)	(115)	–	(6,022)
Interest income	6	50	–	–	56
Equity in earnings of subsidiary	3,499	3,201	–	(6,700)	–
Income before income tax provision	2,684	3,499	3,201	(6,700)	2,684
Income tax provision	–	–	–	–	–
Net income	2,684	3,499	3,201	(6,700)	2,684
Dividends and accretion on preferred stock	(3,747)	–	–	–	(3,747)
Net income (loss) attributable to common stockholders	$ (1,063)	$ 3,499	$ 3,201	$ (6,700)	$ (1,063)

	Nine months ended March 31, 2004 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ –	$ 169,899	$ 40,038	$ –	$ 209,937
Cost of sales	–	129,849	35,749	–	165,598
Gross profit	–	40,050	4,289	–	44,339
Operating expenses:					
Selling, marketing and administrative	356	29,796	4,064	–	34,216
Casualty loss	–	250	–	–	250
Operating income (loss)	(356)	10,004	225	–	9,873
Other income (expense):					
Interest expense	(5,501)	(19,105)	(680)	–	(25,286)
Interest income	18	35	–	–	53
Other financing expense, net	–	(2,678)	–	–	(2,678)
Equity in loss of subsidiary	(12,199)	(455)	–	12,654	–
Loss before income tax provision	(18,038)	(12,199)	(455)	12,654	(18,038)
Income tax provision	–	–	–	–	–
Net loss	(18,038)	(12,199)	(455)	12,654	(18,038)
Dividends and accretion on preferred stock	(9,207)	–	–	–	(9,207)
Net loss attributable to common stockholders	$ (27,245)	$ (12,199)	$ (455)	$ 12,654	$ (27,245)

	Nine months ended March 31, 2003 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ –	$ 167,965	$ 69,569	$ –	$ 237,534
Cost of sales	–	122,145	54,443	–	176,588
Gross profit	–	45,820	15,126	–	60,946
Operating expenses:					
Selling, marketing and administrative	257	28,788	6,688	–	35,733
Restructuring charge	–	540	–		540
Operating income (loss)	(257)	16,492	8,438	–	24,673
Other income (expense):					
Interest expense	(2,048)	(16,224)	(374)	–	(18,646)
Interest income	18	144	–	–	162
Equity in earnings of subsidiary	8,476	8,064	–	(16,540)	–
Income before income tax provision	6,189	8,476	8,064	(16,540)	6,189
Income tax provision	–	–	–	–	–
Net income	6,189	8,476	8,064	(16,450)	6,189
Dividends and accretion on preferred stock	(10,711)	–	–	–	(10,711)
Net income (loss) attributable to common stockholders	$ (4,522)	$ 8,476	$ 8,064	$ (16,540)	$ (4,522)

Condensed Consolidating Balance Sheets

	March 31, 2004 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS:					
Current assets	$ –	$ 93,127	$ 7,452	$ –	$ 100,579
Property, plant and equipment, net	–	35,674	28,409	–	64,083
Other assets	215	8,661	77	–	8,953
Investment in subsidiaries	(103,315)	33,270	–	70,045	–
Goodwill	–	38,088	–	–	38,088
Receivable from subsidiary - tax sharing agreement	72,067	–	–	(72,067)	–
Receivable from affiliates	1,976	–	41,305	(43,281)	–
Total assets	$ (29,057)	$ 208,820	$ 77,243	$ (45,303)	$ 211,703
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT):					
Current liabilities	$ 4,746	$ 24,157	$ 19,674	$ (4,076)	$ 44,501
Long-term debt	20,971	187,507	10,000	–	218,478
Mandatorily redeemable senior preferred stock	25,128	–	–	–	25,128
Payable to affiliates	–	43,281	–	(43,281)	–
Other liabilities	6,116	3,498	–	–	9,614
Payable to RadioShack	67,991	–	–	–	67,991
Payable to parent - tax sharing agreement	–	53,692	14,299	(67,991)	–
Stockholders' equity (deficit)	(154,009)	(103,315)	33,270	70,045	(154,009)
Total liabilities and stockholders' equity (deficit)	$ (29,057)	$ 208,820	$ 77,243	$ (45,303)	$ 211,703

	June 30, 2003 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS:					
Current assets	$ –	$ 74,930	$ 13,277	$ –	$ 88,207
Property, plant and equipment, net	–	40,356	31,511	–	71,867
Other assets	244	8,896	86	–	9,226
Investment in subsidiaries	(93,523)	33,725	–	59,798	–
Goodwill	–	38,088	–	–	38,088
Receivable from subsidiary - tax sharing agreement	72,067	–	–	(72,067)	–
Receivable from affiliates	1,190	–	33,425	(34,615)	–
Total assets	$ (20,022)	$ 195,995	$ 78,299	$ (46,884)	$ 207,388
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT):					
Current liabilities	$ 7,378	$ 20,951	$ 20,848	$ (6,798)	$ 42,379
Long-term debt	19,435	179,970	10,000	–	209,405
Payable to affiliates	–	34,615	–	(34,615)	–
Other liabilities	4,323	2,439	–	–	6,762
Payable to RadioShack	65,269	–	–	–	65,269
Payable to parent - tax sharing agreement	–	51,543	13,726	(65,269)	–
Mandatorily redeemable senior preferred stock	21,933	–	–	–	21,933
Stockholders' equity (deficit)	(138,360)	(93,523)	33,725	59,798	(138,360)
Total liabilities and stockholders' equity (deficit)	$ (20,022)	$ 195,995	$ 78,299	$ (46,884)	$ 207,388

Condensed Consolidating Statements of Cash Flows

	Nine months ended March 31, 2004 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net cash flows provided by operating activities:	$ 786	3,682	8,011	$ –	$ 12,479
Investing activities:					
Capital expenditures	–	(1,388)	(150)	–	(1,538)
Repayment of loans to affiliates	(786)	7,757	–	(6,971)	–
Net	(786)	6,369	(150)	(6,971)	(1,538)
Financing activities:					
Advances (repayment) of loans from affiliates	–	786	(7,757)	6,971	–
Proceeds from borrowings	–	95,000	–	–	95,000
Repayment of borrowings	–	(92,265)	–	–	(92,265)
Debt issuance costs	–	(4,030)	–	–	(4,030)
Net	–	(509)	(7,757)	6,971	(1,295)
Cash and cash equivalents:					
Net increase in cash and cash equivalents	–	9,542	104	–	9,646
Cash and cash equivalents, beginning of period	–	7,878	99	–	7,977
Cash and cash equivalents, end of period	$ –	$ 17,420	$ 203	$ –	$ 17,623

	Nine months ended March 31, 2003 (in thousands)				
	O'Sullivan Holdings	O'Sullivan Industries	Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net cash flows provided by operating activities:	$ 770	$ 6,631	$ 15,981	$ –	$ 23,382
Investing activities:					
Capital expenditures	–	(3,252)	(1,575)	–	(4,827)
Repayment of loans to affiliates	(770)	14,358	–	(13,588)	–
Net	(770)	11,106	(1,575)	(13,588)	(4,827)
Financing activities:					
Advances (repayment) of loans from affiliates	–	770	(14,358)	13,588	–
Repayment of borrowings	–	(16,739)	–	–	(16,739)
Net	–	(15,969)	(14,358)	13,588	(16,739)
Cash and cash equivalents:					
Net increase in cash and cash equivalents	–	1,768	48	–	1,816
Cash and cash equivalents, beginning of period	–	15,648	129	–	15,777
Cash and cash equivalents, end of period	$ –	$ 17,416	$ 177	$ –	$ 17,593

Note 9—Income Taxes

O'Sullivan recorded no tax expense for the three or nine months ended March 31, 2004 and 2003 because of the valuation allowance recorded in the quarter ended March 31, 2002.

Note 10—Related Party Transactions

O'Sullivan Industries entered into a management services agreement with Bruckmann, Rosser, Sherrill & Co., LLC ("*BRS*") for strategic and financial advisory services on November 30, 1999. BRS holds about 72% of O'Sullivan's outstanding common stock. The fee for these services is the greater of (a) 1% of O'Sullivan Industries' consolidated cash flow (as defined in the indenture related to the O'Sullivan Industries senior subordinated notes) or (b) $300,000 per year. Under the management services agreement, BRS can also receive reimbursement for expenses.

The credit agreement, the indenture for the senior secured notes and the management services agreement all contain certain restrictions on the payment of the management fee. The management services agreement provides that no cash payment for the management fee can be made unless the fixed charge coverage ratio (as defined in the indenture for the senior subordinated notes) for O'Sullivan Industries' most recently ended four full fiscal quarters would have been greater than 2.0 to 1.0. Similarly, the indenture for the senior secured notes provides that payments under the management services agreement are conditional and contingent upon the fixed charge coverage ratio (as defined in the indenture for the senior secured notes) for the four most recently ended full fiscal quarters immediately preceding any payment date being at least 2.0 to 1. The credit agreement prevents O'Sullivan Industries from paying fees and expenses under the management services agreement if a default or event of default exists or if one would occur as a result of the payment. All fees and expenses under the management services agreement are subordinated to the senior subordinated notes.

The management fees and reimbursable expenses of $212,000 and $365,000 recognized in the first nine months of fiscal years 2004 and 2003, respectively, are included in selling, marketing and administrative expense in the accompanying consolidated statements of operations. O'Sullivan Industries paid BRS $713,000 in the first quarter of fiscal 2003 for the balance owed through June 30, 2002 and $305,000 as a prepayment of the fiscal 2003 management fee. An additional prepayment of $285,000 for fiscal 2003 management fees was made in January 2003. The amount due BRS under the management services agreement at March 31, 2004 was $65,000; this amount is included in accrued liabilities on the consolidated balance sheet. At June 30, 2003 the prepaid balance under the management services agreement was $147,000, which was included in prepaid expenses and other current assets on the consolidated balance sheet.

Employee Loans. At March 31, 2004, O'Sullivan held two notes receivable with a balance of approximately $361,000 from employees of O'Sullivan. O'Sullivan loaned the employees money to purchase common stock and Series B junior preferred stock of O'Sullivan in the November 1999 recapitalization and merger. The notes bear interest at the rate of 9% per annum and mature on November 30, 2009, or earlier if there is a change of control, and are with full recourse. The receivables are recorded on O'Sullivan's consolidated balance sheets as an increase in stockholders' deficit.

Note 11—Commitments and Contingencies

Tax Sharing Agreement with RadioShack. Future tax sharing agreement payments are contingent on taxable income. The maximum payments are fiscal 2004—$11.6 million; fiscal 2005—$10.5 million; fiscal 2006—$11.3 million; and thereafter—$38.7 million. O'Sullivan estimates that its payments to RadioShack during fiscal 2004 will aggregate $1.7 million.

Litigation. There have been no significant changes in legal matters since June 30, 2003, except that the preference claim filed by Montgomery Ward LLC against O'Sullivan in the Bankruptcy Court for the District of Delaware has been settled. The settlement is not expected to have a material impact on O'Sullivan's results of operations.

Note 12—Other Comprehensive Income:

O'Sullivan's comprehensive income is comprised of net income (loss) and foreign currency translation adjustments. The components of comprehensive income for the three and nine month periods ended March 31 are:

	Three months ended March 31,		Nine months ended March 31,	
	2004	2003	2004	2003
	(in thousands)			
Net income (loss)	$ (5,339)	$ 2,684	$ (18,038)	$ 6,189
Cumulative translation adjustments	1,429	304	2,407	391
Comprehensive income (loss)	$ (3,910)	$ 2,988	$ (15,631)	$ 6,580

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

We are a leading ready-to-assemble furniture manufacturer in North America with over 45 years of experience. We design, manufacture and distribute a broad range of RTA furniture products—computer workcenters, desks, entertainment centers, audio stands, storage products, bookcases and cabinets.

Recent Trends

Our net sales for the third quarter of fiscal 2004 were down about 15.7% from sales for the same quarter in fiscal 2003. For the first nine months of fiscal 2004, our sales declined about 11.6% from sales in the same period of fiscal 2003. Our sales declined for several reasons:

- increasing competition from imported furniture, particularly from China;
- the slowdown of economic growth and consumer spending in the United States from 2001 into 2004;
- increased competition from domestic competition due to excess capacity in the RTA furniture industry;
- a focus by several of our retail partners toward higher price point offerings, which include products using materials other than our particleboard and laminate capabilities.

These factors will continue to affect our business throughout the remainder of fiscal 2004 and into fiscal 2005.

Market prices for particleboard, our largest raw material cost, increased about 20% during the quarter, reducing our gross margins. Our product mix also changed slightly with more sales of lower priced, lower margin products. In addition, we increased promotional activities with several of our major retail partners. As a result, our operating income fell to $3.3 million for the quarter ended March 31, 2004, compared with $8.7 million for the quarter ended March 31, 2003. For the first three quarters of fiscal 2004, our operating income was $9.9 million compared to $24.7 million in the first three quarters of fiscal 2003. Net loss for the quarter ended March 31, 2004 was $5.3 million compared to a net income of $2.7 million in the comparable period of fiscal 2003. Net loss for the nine months ended March 31, 2004 was $18.0 million, compared to a net income of $6.2 million for the nine months ended March 31, 2003. The net loss for the fiscal 2004 quarter reflects lower sales, increasing particleboard prices and the reduction in operating income. The net loss for the first nine months of fiscal 2004 reflects lower sales and operating income, lower production levels which adversely impacted our fixed cost absorption, increased particleboard prices and the write-off of unamortized debt issuance costs related to our previous senior credit facility. The net loss for the three and nine month periods of fiscal 2004 also reflects increased interest expense due to our July 1, 2003 adoption of SFAS 150, pursuant to which we now account for dividends on our mandatorily redeemable senior preferred stock as interest expense.

Several manufacturers, including O'Sullivan, have excess manufacturing capacity due to the current decline in sales in the RTA furniture segment and increasing imports. This excess capacity is causing increased competition that is expected to continue, and perhaps to intensify, through the remainder of fiscal 2004 and into fiscal 2005. Competition adversely affected our margins and results of operations in fiscal 2004 and will continue to affect our sales, margins and results of operations in fiscal 2005.

In December 2003, Best Buy informed us that they would be reducing orders of particleboard furniture. As a result, our sales to Best Buy declined significantly in the third quarter of fiscal 2004. We expect sales to Best Buy to continue at the lower level. We hope to partially offset this loss by increasing sales to other customers, but we can not assure you that this will occur.

Refinancing Transactions

On September 29, 2003, O'Sullivan Industries issued $100 million of senior secured notes and executed a new five-year $40 million senior secured revolving credit agreement. The proceeds of the senior secured notes were used to repay O'Sullivan Industries' existing $88.3 million senior credit facility and related fees and expenses. The senior secured notes were sold at 95% of their face value, bear interest at 10.63% and mature on October 1, 2008. As of March 31, 2004, we had no borrowings under the new credit agreement, although $14.0 million of letters of credit were outstanding.

Raw Materials

We purchase large quantities of raw materials, including particleboard and fiberboard. We are dependent on our outside suppliers for all of our raw materials. Therefore, we are subject to changes in the prices charged by our suppliers.

Due to the nature of our product lines, we have material sensitivity to some commodities, including particleboard, fiberboard, corrugated cardboard and hardware. We manage commodity price exposures primarily through the duration and terms of our vendor agreements. A 1.0% change in our raw material prices would affect our cost of sales by approximately $1.4 million annually.

In the third quarter of fiscal 2004, market prices for particleboard, our largest-cost raw material, increased about 20%. We expect additional price increases in the last quarter of fiscal 2004, and perhaps beyond, as demand for particleboard has increased and suppliers have reduced capacity. Because we utilize first-in, first-out accounting for our inventory, not all of the price increases are reflected in our cost of goods sold for the first nine months of fiscal 2004. These price increases will reduce our operating margins and operating income for the remainder of fiscal 2004 and perhaps beyond.

We are endeavoring to reduce the impact of the price increases through our value analysis program and by the eventual inclusion of the higher costs in the pricing of our products. We are in the process of negotiating higher prices for our products with our customers; some of these negotiations have been concluded, while others are ongoing. In our value analysis program, we endeavor to remove costs from the production of a product without sacrificing utility or quality of the product. We cannot assure you that we will be successful in offsetting these or future potential raw material price increases.

RadioShack Arbitration and Accounting for Tax Sharing Agreement with RadioShack

In 1994, RadioShack, then Tandy Corporation, completed an initial public offering of O'Sullivan. In connection with the offering, we entered into a tax sharing and tax benefit reimbursement agreement with RadioShack. RadioShack and O'Sullivan made elections under Sections 338(g) and 338(h)(10) of the Internal Revenue Code with the effect that the tax basis of our assets was increased to the deemed purchase price of the assets, and an equal amount of such increase was included as taxable income in the consolidated federal tax return of RadioShack. The result was that the tax basis of our assets exceeded the historical book basis we used for financial reporting purposes.

The increased tax basis of our assets results in increased tax deductions and, accordingly, reduced our taxable income or increased our net operating loss. Under the tax sharing agreement, we are contractually obligated to pay RadioShack nearly all of the federal tax benefit expected to be realized with respect to such additional basis. The payments under the agreement represent additional consideration for the stock of O'Sullivan Industries, Inc. and further increase the tax basis of our assets from the 1994 initial public offering when payments are made to RadioShack.

To the extent the benefit of these basis step-up deductions caused us to have a federal taxable loss, we were only obligated to pay RadioShack to the extent that the benefits were used to reduce taxable income to zero. Any additional tax deductions resulting from the step-up create a net operating loss ("NOL") carryforward on our federal income tax return. Under the terms of the tax sharing agreement, if we utilized this NOL carryforward to generate future tax savings, we were also obligated to remit that benefit received to RadioShack.

O'Sullivan recorded the deferred tax asset created by the step-up in basis and the additional basis from the probable future payments to RadioShack as of February 1994. At the same time, we recorded our obligation to RadioShack. The amounts of the deferred tax asset and obligation to RadioShack were each $147.9 million at February 1994. From 1994 through 2001, we reduced the amount of the deferred tax asset and the obligation to RadioShack as we realized the benefits of the deferred tax asset and paid RadioShack amounts due under the tax sharing agreement.

In November 1999, we completed a leveraged recapitalization and merger transaction which significantly increased our debt. As a result of the higher debt levels, we also experienced increased interest expense, which reduced our taxable income and also reduced the tax benefits used from the deductions arising from the step-up in basis. We reduced our payments to RadioShack accordingly. RadioShack claimed that the deductions arising from the increased interest payments should not impact tax benefit payments due RadioShack under the tax agreement. RadioShack pursued this matter and prevailed in an arbitration ruling in March 2002. We reached a settlement agreement with RadioShack in May 2002. Pursuant to the settlement agreement, we paid RadioShack $24.6 million in May 2002 and an additional $3.1 million in June 2002. The sum of these two payments ($27.7 million) represented the amount due RadioShack under the settlement agreement through June 30, 2002. These amounts represent the calculation of what benefits we would have realized had we not had the additional interest expense from the 1999 recapitalization and merger. The settlement agreement requires calculations into the future and quarterly payments to RadioShack if our taxable income adjusted for the additional interest expense shows that we would have realized the benefits had we not incurred the additional interest expense. If on this basis, we could have used the deductions from the step-up in basis, we are required to make a payment to RadioShack even though we may not be receiving any current tax benefit from these deductions on our federal income tax return.

The remaining maximum obligation to RadioShack was $109.1 million at March 31, 2002. We reduced the obligation by subsequent payments; the balance was $81.4 million at June 30, 2002 and $72.1 million at June 30, 2003 and March 31, 2004.

Under Statement of Financial Accounting Standards ("SFAS") 109, we must determine if it is more likely than not that we will realize the net deferred tax asset as a reduction in our tax liabilities in the future. SFAS 109 requires objective evidence to support the more likely than not conclusion. The arbitration decision dramatically affected our liquidity, which reduced the amounts we could invest in sales efforts or cost improvements, as most free cash flow would now be used to pay RadioShack or to repay our indebtedness. In addition, it became evident to us by March 2002 that the prolonged economic slowdown that started prior to September 11, 2001 was continuing. This, coupled with the adverse effect on our liquidity of the settlement, caused us to lower our projections of future taxable income. Accordingly, we projected our expected future taxable income utilizing operating performance we achieved in fiscal 2002 assuming our performance would be no better or worse over an extended period of time. Such projections indicate that we would not have taxable income until 2009 when substantially all the tax benefit deductions had been taken. At that point, the projections indicated that our net operating losses existing at that time would be utilized before they expire. However, we currently have and expect to have taxable losses for a number of years in the future. Projections over a long time are inherently uncertain, and we cannot provide objective evidence that our operations in 2009 and beyond will produce sufficient taxable income. As a result, we provided a full valuation allowance on our net deferred tax assets in fiscal 2002 with a corresponding charge to income tax expense.

As a result of providing a full valuation allowance on our net deferred tax assets in fiscal 2002, we did not record a tax provision in the first nine months of fiscal 2003 or 2004. We do not expect to record a tax provision or benefit in the foreseeable future. If at a future date we determine that some or all of the deferred tax asset will more likely than not be realized, we will reverse the appropriate portion of the valuation allowance and credit income tax expense.

See "**Cautionary Statement Regarding Forward Looking Information**."

Results of Operations

Net Sales. Net sales for the quarter ended March 31, 2004 decreased by $13.6 million, or 15.7%, to $73.2 million from $86.9 million for the quarter ended March 31, 2003. Net sales for the nine months ended March 31, 2004 decreased by $27.6 million, or 11.6%, to $209.9 million from $237.5 million for the nine months ended March 31, 2003. Our sales declined in every major channel due to extremely competitive conditions, economic uncertainties and the other reasons cited above. For the quarter ended March 31, 2004, the decline in sales from the prior year period was due to a decline in average price per unit sold. For the nine months ended March 31, 2004, the decline in sales from the first three quarters of fiscal 2003 was due to declines both in unit volume and in the average price per unit sold.

Gross Profit. Gross profit decreased to $15.4 million, or 21.1% of sales, for the three month period ended March 31, 2004, from $21.2 million, or 24.5% of sales, for the comparable prior year quarter. The gross margin percentage for the third quarter of fiscal 2004 declined primarily because of lower sales, increased raw material prices, changes in our customer mix and increasing promotional activities with several retail partners. For the nine months ended March 31, 2004, gross profit declined to $44.3 million, or 21.1% of sales, from $60.9 million, or 25.7% of sales. Gross profit declined for the first nine months of fiscal 2004 due to lower sales levels, lower production levels, increases in raw material prices, changes in our customer mix, increased promotional activities and product sold at discounted pricing.

Selling, Marketing and Administrative Expenses. Selling, marketing and administrative expenses increased slightly to $12.1 million for the three month period ended March 31, 2004, compared to the quarter ended March 31, 2003. Because of our lower sales in the fiscal 2004 period, selling, marketing and administrative expenses increased to 16.6% of our net sales for the fiscal 2004 third quarter compared to 13.9% of net sales in the third quarter of fiscal 2003. Freight out expense increased due to charges incurred to ship displays to certain customers. Royalty expenses increased due to royalties paid in connection with our license agreement with The Coleman Company, Inc. These charges were partially offset by decreased replacement parts expense and lower incentive compensation and profit sharing costs.

For the nine months ended March 31, 2004, selling, marketing and administrative expenses decreased $1.5 million from $35.7 million in fiscal 2003 to $34.2 million in fiscal 2004. The major factors contributing to the decrease were decreased bad debt expense, decreased store display expense, decreased commission expense and lower incentive compensation and profit sharing costs.

Casualty Loss. In November 2003, a fire destroyed certain of our manufacturing equipment. We recorded a casualty loss of $250,000 in the quarter ended December 31, 2003. We deferred recognition of potential gains resulting from estimated insurance recoveries until the insurance proceeds have been received or are realizable. In the third quarter of fiscal 2004, we received a payment of $500,000 from our insurance carrier for facility cleanup and additional expenses caused by the loss of the equipment which was recorded as an offset to the additional costs incurred during the third quarter. We currently expect to record a gain of approximately $550,000 in the fourth quarter of fiscal 2004 with respect to the casualty loss. Thus, for the year ending June 30, 2004, we expect to record a net gain of approximately $300,000 related to the equipment destroyed by the fire. Replacement equipment will be installed in the fourth quarter of fiscal 2004.

Depreciation and Amortization. Depreciation and amortization expenses of $3.1 million for the third quarter of fiscal 2004 and $9.7 million year to date are lower compared to the third quarter and year to date for fiscal 2003 because of our reduced capital expenditure levels in recent years.

Operating Income. Operating income decreased $5.4 million to $3.3 million for the quarter ended March 31, 2004 from $8.7 million in the quarter ended March 31, 2003 due to lower sales, higher raw material prices and lower margins. For the nine months ended March 31, 2004, operating income decreased $14.8 million over the nine months ended March 31, 2003. Our operating income declined because of our lower sales levels, lower production levels which adversely affected our fixed cost absorption, increased raw material prices, changes in customer mix and increased promotional activities with several of our major retail partners.

Net Interest Expense. Net interest expense increased from $6.0 million in the third quarter of fiscal 2003 to $8.6 million in the third quarter of fiscal 2004. Net interest expense increased $6.7 million from $18.5 million for the first nine months of fiscal 2003 to $25.2 million for the first nine months of fiscal 2004. Interest expense increased due to the reclassification of dividends on our senior preferred stock to interest expense of approximately $1.1 million for the quarter and $3.2 million for the nine months ended March 31, 2004, respectively, and the fiscal 2003 change in value of our interest rate collar that expired in March 2003. The following table summarizes our net interest expense:

	Three months ended March 31, (in thousands)		Nine months ended March 31, (in thousands)	
	2004	2003	2004	2003
Interest expense on senior secured notes, credit agreement, senior credit facility, industrial revenue bonds and senior subordinated notes	$ 6,011	$ 5,600	$ 17,846	$ 17,222
Interest income	(10)	(56)	(53)	(162)
Non-cash items:				
Interest expense on O'Sullivan Holdings senior note	708	629	2,075	1,846
Interest expense on mandatorily redeemable senior preferred stock	1,130	–	3,195	–
Interest rate collar	–	(783)	–	(2,091)
Amortization of debt discount	381	174	907	462
Amortization of loan fees	418	402	1,263	1,207
Net interest expense	$ 8,638	$ 5,966	$ 25,233	$ 18,484

Other Financing Income (Expense). We recorded a gain of $616,000 in the quarter ended December 31, 2003 in connection with the repurchase of $4.0 million of our senior subordinated notes, net of original issue discount and capitalized loan fees. For the nine months ended March 31, 2004, we recorded other financing costs expense of $2.7 million related to the write-off of capitalized loan fees for the old senior credit facility of about $3.3 million in the September 2003 quarter, offset by the gain on the repurchase of the subordinated notes.

Income Tax Provision. We recorded no tax expense for the first, second or third quarters of fiscal 2004 or 2003 because of the valuation allowance recorded in the quarter ended March 31, 2002. See "*RadioShack Arbitration and Accounting for Tax Sharing Agreement with RadioShack.*"

Net Income (Loss). We incurred a net loss of $5.3 million in the third quarter of fiscal 2004 compared to net income of $2.7 million in fiscal 2003 due to lower sales and operating levels, increased raw material prices and increased interest expense. Net income decreased $24.2 million from net income of $6.2 million in the first nine months of fiscal 2003 to a net loss of $18.0 million in the first nine months of fiscal 2004 due to lower sales and operating levels, increased raw material prices, promotional activities with our retail partners and increased interest expense.

Liquidity and Capital Resources

We are highly leveraged and have a stockholders' deficit of approximately $154.0 million at March 31, 2004. Our primary sources of liquidity are cash flows from operations and borrowings under our senior credit agreement, which is discussed below. Our liquidity requirements will be to pay our debt, including interest expense under the senior credit agreement and notes, to provide for working capital and capital expenditures and to pay RadioShack amounts due under the tax sharing agreement. Decreased demand for our products could decrease our cash flow from operations and the availability of borrowings under our credit agreement.

Working Capital. As of March 31, 2004, cash and cash equivalents totaled $17.6 million compared to $8.0 million at June 30, 2003. Net working capital was $56.1 million at March 31, 2004 compared to $45.8 million at June 30, 2003.

Operating Activities. Net cash provided by operating activities for the nine months ended March 31, 2004 was $12.5 million compared to net cash provided of $23.4 million for the nine months ended March 31, 2003. Cash flow from operations declined year-over-year for the following reasons.

- Net income in the first nine months of fiscal 2004 was about $24.2 million lower than in the first nine months of fiscal 2003.

- Accounts payable and accrued liabilities increased $12.3 million in the first nine months of fiscal 2004 compared with a decline of $1.1 million in the first nine months of fiscal 2003. Profit sharing and incentive compensation payments during the first nine months of fiscal 2003 were higher than in the first nine months of fiscal 2004 because of the prior year financial results. Accrued interest was higher in fiscal 2004 due to the refinancing of our old senior credit facility.

- Included in net loss for fiscal 2004 were non-cash charges of $3.2 million for interest and accretion on our senior preferred stock and $2.7 million of debt extinguishment costs, net.

- In fiscal 2003, the liability associated with the interest rate collar declined by $2.1 million.

- Accounts receivable increased $2.6 million in the first nine months of fiscal 2004 compared with essentially no change in the first nine months of fiscal 2003.

- In fiscal 2004, inventories increased $189,000 compared with a $10.4 million decrease in fiscal 2003.

- During the first nine months of fiscal 2004, no amounts were due RadioShack under the terms of the tax sharing agreement; in the first nine months of fiscal 2003, we paid RadioShack $6.2 million.

Investing Activities. We invested $1.5 million for capital expenditures for the nine months ended March 31, 2003 compared to $4.8 million for the prior year nine month period. We currently estimate that the total capital expenditure requirements for the remainder of the fiscal year will be approximately $500,000, which we expect to fund from cash flow from operations or cash on hand. Our ability to make future capital expenditures is subject to certain restrictions under our credit agreement.

Financing Activities. On September 29, 2003 we refinanced our old senior credit facility with $100.0 million of new privately placed senior secured notes and an asset-based credit agreement.

The $100.0 million senior secured notes mature on October 1, 2008 and bear interest at 10.63%. The notes were issued by O'Sullivan Industries at a price of 95%, providing $95.0 million in cash proceeds before expenses related to the issuance of about $3.8 million. The notes are secured by a first-priority security interest in and lien on substantially all of our assets (and on O'Sullivan Industries' capital stock) other than accounts receivable, inventory, capital stock of O'Sullivan Industries' subsidiaries, deposit accounts, certain books and records and certain licenses, and by a second-priority security interest in and lien on substantially all of our accounts receivable, inventory, deposit accounts, certain books and records and certain licenses. The notes are guaranteed by O'Sullivan Holdings, O'Sullivan Industries - Virginia and O'Sullivan Furniture Factory Outlet, Inc. Pursuant to a registration rights agreement, we filed a registration statement with the Securities and Exchange Commission with respect to an offer to exchange the notes for a new issue of identical notes registered under the Securities Act of 1933, as amended, in December 2003. The registration statement became effective on January 8, 2004, and the exchange offer closed on February 25, 2004.

The five-year asset-based credit agreement permits revolving borrowings of up to $40.0 million to the extent of availability under a collateral borrowing base. The borrowing base at March 31, 2004 was approximately $35.0 million, The credit agreement has a $25.0 million sub-limit for letters of credit, of which we are currently utilizing approximately $14.0 million. The credit agreement is secured by a first-priority security interest in and lien on substantially all of our accounts receivable, inventory, deposit accounts, certain books and records and certain licenses, and a second-priority security interest in and lien on substantially all of our assets other than accounts receivable, inventory, capital stock of our subsidiaries, deposit accounts, certain books and records and certain licenses. The interest rate on loans under the credit agreement is a LIBOR rate plus 2.5% or an index rate plus 1.0%. We also pay a quarterly fee equal to 0.5% per annum of the unused commitment under the credit agreement. O'Sullivan Industries - Virginia and O'Sullivan Furniture Factory Outlet, Inc. are also parties to the credit agreement. No loans were outstanding under the credit agreement as of March 31, 2004.

In connection with the repayment of the term loans and the termination of the revolving credit facility under the senior credit facility, we expensed approximately $3.1 million of unamortized issuance costs related to the facility in the first quarter of fiscal 2004.

Our consolidated indebtedness at March 31, 2004 was $229.6 million consisting of:

- a credit agreement providing for asset-based revolving credit of up to $40.0 million. The borrowing base at March 31, 2004 was approximately $35.0 million. No borrowings were outstanding under the credit agreement, although letters of credit aggregating approximately $14.0 million were outstanding under the credit agreement.
- $100.0 million in 10.63% senior secured notes due October 1, 2008. These notes were issued at a price of 95% providing $95.0 million in cash proceeds before expenses related to the issuance.
- $96.0 million in 13-3/8% senior subordinated notes due 2009 issued with warrants to purchase 6.0% of our common and Series B junior preferred stock on a fully diluted basis. These warrants were assigned a value of $3.5 million. These notes were issued at a price of 98.046% providing $98.0 million in cash proceeds before expenses related to the issuance. In October 2003, we repurchased $4.0 million of the notes and recorded other financing income of $616,000 net of original issue discount and capitalized loan fees.
- $10.0 million in variable rate industrial revenue bonds.
- $23.6 million, including $8.6 million of interest added to the principal of the note, in a 12% senior note issued with warrants to purchase 6.0% of our common and Series B junior preferred stock on a fully diluted basis. These warrants were assigned a value of $3.5 million.

The reconciliation of consolidated indebtedness to recorded book value at March 31, 2004 is as follows:

	Consolidated Indebtedness	Original Issue Discount Net of Accretion	Warrants Net of Accretion	Recorded Book Value
	(in thousands)			
Senior secured notes	$ 100,000	$ (4,623)	$ –	$ 95,377
Senior subordinated notes	96,000	(1,350)	(2,520)	92,130
Industrial revenue bonds	10,000	–	–	10,000
Senior note	23,569	–	(2,598)	20,971
Total	$ 229,569	$ (5,973)	$ (5,118)	$ 218,478

With the refinancing of our old senior credit facility, we have no principal payments due on our debt until October 2008. We expect to fund interest payments on our debt from cash flow from operations, cash on hand or borrowings under our credit agreement. We expect our borrowing availability under our credit agreement will approximate $35 to $40 million reduced by any letters of credit outstanding. Decreased demand for our products could decrease our inventory and accounts receivable levels and the availability of borrowings under our credit facility.

Management believes O'Sullivan has sufficient liquidity to meet its short-term needs and obligations. In addition, management is considering various alternatives to increase sales, reduce costs and improve profitability.

As required under our old senior credit facility, we hedged one-half of our term loans with an initial notional amount of $67.5 million with a costless interest rate collar. The collar, which expired on March 31, 2003, was based on three-month LIBOR with a floor of 6.43% and a ceiling of 8.75%. The counter-party to our interest rate collar provided us with the payment amount that would have been required to terminate the collar as of the end of each quarter. We recorded the change in fair value of the collar as increased or decreased interest expense in the consolidated statements of operations and included the resulting liability in accrued liabilities on the consolidated balance sheets.

See the overview section of this Management's Discussion and Analysis of Financial Condition and Results of Operations for a discussion of the impact of the Settlement Agreement with RadioShack on our liquidity and financial condition.

Off-balance Sheet Arrangements. At March 31, 2004, we had no off-balance sheet arrangements that have or are likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

As of March 31, 2004, our contractual obligations due in the future mature as follows:

		Payments Due by Period (in thousands)			
Contractual Obligations	Total	Less than 12 months	12-36 months	36-60 months	After 60 months
Long-term debt	$ 229,569	$ –	$ –	$ 110,000	$ 119,569
Tax Benefit payments to RadioShack[1]	72,067	16,699	20,904	27,629	6,835
Capital lease obligations	–	–	–	–	–
Operating leases—unconditional	4,891	1,852	2,473	309	257
Other long-term obligations[2]	802	367	345	90	–
Total contractual cash obligations	$ 307,329	$ 18,918	$ 23,722	$ 138,028	$ 126,661

[1]Timing and amounts of payments to RadioShack are contingent on actual taxable income adjusted to exclude the increased interest expense arising from the 1999 recapitalization and merger. The amounts in the table above represent the maximum amounts payable to RadioShack.

[2]Represents payments due under retirement agreements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an on-going basis, we evaluate our estimates, including those related to customer programs and incentives, bad debts, inventories, intangible assets, income taxes, restructuring, asset impairments, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

- We derive our revenue from product sales. We recognize revenue from the sale of products when persuasive evidence of an arrangement exists, the product has been delivered, the price is fixed or determinable and collection of the resulting receivable is reasonably assured. For all sales, we use purchase orders from the customer, whether written or electronically transmitted, as evidence that a sales arrangement exists. Generally, delivery occurs when product is delivered to a common carrier or private carrier, with standard terms being FOB shipping point. We assess whether the price is fixed or determinable based upon the payment terms associated with the transaction. We assess collection based on a number of factors, including past transaction history with the customer and the creditworthiness of the customer. Collateral generally is not requested from customers.

- We record estimated reductions to revenue for customer programs and incentive offerings including special pricing agreements, price protection, promotions and other volume-based incentives. Market conditions could require us to take actions to increase customer incentive offerings. These offerings could result in our estimates being too small and reduce our revenues when the incentive is offered.

- We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

- We write down our inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and its estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by us, additional inventory write-downs may be required. Obsolete and slow-moving inventory reserves were approximately $2.3 million and $4.3 million at March 31, 2004 and June 30, 2003, respectively.

- We record our deferred tax assets at the amount that the asset is more likely than not to be realized. As of March 31, 2004, we have provided a valuation allowance against our total net deferred tax asset. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance, our determinations can change. If we objectively determine it was more likely than not we would be able to realize our deferred tax assets in the future in excess of our recorded amount, we would reduce our valuation allowance, increasing income in the period such determination was made.

- We periodically review our long-lived assets, including property and equipment, for impairment and determine whether an event or change in facts and circumstances indicates their carrying amount may not be recoverable. We determine recoverability of the assets by comparing the carrying amount of the assets to the net future undiscounted cash flows expected to be generated by those assets. Future cash flows are estimated using revenue growth projections that take into consideration the estimated life of our various products. If the sum of the undiscounted cash flows is less than the carrying value of the assets, an impairment charge is recognized. Adverse economic conditions could cause us to record impairment charges in the future.

- We assess goodwill at least annually for impairment by applying a fair-value-based test, using the enterprise as the reporting unit. If the book value of the reporting unit is below the fair value of the reporting unit, there is no impairment loss. Adverse economic conditions could cause us to record impairment charges in the future.

Legal Proceedings

On September 24, 2002, Montgomery Ward, LLC filed suit against O'Sullivan Industries in the U.S. Bankruptcy Court, District of Delaware, alleging that payments made by Montgomery Ward within 90 days prior to its bankruptcy constituted preferential transfers under the Bankruptcy Code that should be recovered from O'Sullivan Industries by Montgomery Ward, together with interest. The alleged payments aggregate $3.7 million. We responded to the suit denying we received any preferential payments. This litigation has been settled.. The settlement is not expected to have a material impact on our results of operations.

In August 2002, Ames decided to close all of its stores and liquidate. Actual net sales to Ames in fiscal 2003 were minimal. In August 2003, Ames Department Stores, Inc. filed suit against O'Sullivan Industries in the U.S. Bankruptcy Court, Southern District of New York, alleging that payments made by Ames within 90 days prior to its bankruptcy constituted preferential transfers under the Bankruptcy Code that should be recovered from O'Sullivan Industries by Ames, together with interest. The alleged payments aggregate $2.1 million. We received the summons in this action on September 22, 2003. We responded to the suit denying we received any preferential payments. We are contesting this lawsuit vigorously.

In November 2001 House2Home filed for bankruptcy and eventually liquidated. In January 2004, we received notice of a November 2003 suit against O'Sullivan Industries in the U.S. Bankruptcy Court, Central District of California, alleging that payments made by House2Home within 90 days prior to its bankruptcy constituted preferential transfers under the Bankruptcy Code that should be recovered from O'Sullivan Industries by House2Home together with interest. The alleged payments aggregate $700,000. We intend to respond to the suit denying we received any preferential payments. We intend to contest this lawsuit vigorously.

Cautionary Statement Regarding Forward Looking Information

Certain portions of this Report, and particularly the Notes to the Consolidated Financial Statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations, contain forward-looking statements. These statements can be identified by the use of future tense or dates or terms such as "believe," "would," "expect," "anticipate" or "plan." These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those predicted by the forward-looking statements. Factors and possible events which could cause results to differ include:

- changes from anticipated levels of sales, whether due to future national or regional economic and competitive conditions, including new domestic or foreign entrants into the industry, customer acceptance of existing and new products, terrorist attacks or otherwise, as we are experiencing now;
- loss of liquidity due to the arbitration panel's opinion in *RadioShack Corporation v. O'Sullivan Industries Holdings, Inc.*;
- significant indebtedness that may limit our financial and operational flexibility;
- raw material cost increases, particularly in particleboard and fiberboard, as are occurring now and have previously occurred in 1994 and 1995 and to a lesser extent in fiscal 2000;
- pricing pressures due to excess capacity in the ready-to-assemble furniture industry, as is occurring again now, or customer demand in excess of our ability to supply product;
- transportation cost increases, due to higher fuel costs or otherwise;
- loss of or reduced sales to significant customers as a result of bankruptcy, liquidation, merger, acquisition or any other reason, as occurred with the liquidation of Montgomery Ward in fiscal 2001, the liquidation of Ames in fiscal 2003 and with the reorganization of Kmart beginning in fiscal 2002;
- actions of current or new competitors, foreign or domestic, that increase competition with our products or prices;
- the consolidation of manufacturers in the ready-to-assemble furniture industry;
- increased advertising costs associated with promotional efforts;
- increased interest rates;
- pending or new litigation or governmental regulations such as the arbitration involving RadioShack;
- other uncertainties which are difficult to predict or beyond our control; and
- the risk that we incorrectly analyze these risks and forces, or that the strategies we develop to address them could be unsuccessful.

See also the Risk Factors section in our annual report on Form 10-K for the year ended June 30, 2003.

Because these forward-looking statements involve risks and uncertainties, actual results may differ significantly from those predicted in these forward-looking statements. You should not place a lot of weight on these statements. These statements speak only as of the date of this document or, in the case of any document incorporated by reference, the date of that document.

All subsequent written and oral forward-looking statements attributable to O'Sullivan or any person acting on our behalf are qualified by the cautionary statements in this section. We will have no obligation to revise these forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Our market risk is affected by changes in interest rates, foreign currency exchange rates and certain commodity prices. Under our policies, we may use natural hedging techniques and derivative financial instruments to reduce the impact of adverse changes in market prices. We do not hold or issue derivative instruments for trading purposes. We believe that our foreign exchange risk is not material.

We have market risk in interest rate exposure, primarily in the United States. We manage interest rate exposure through our mix of fixed and floating rate debt. Interest rate instruments may be used to adjust interest rate exposures when appropriate based on market conditions. Our interest rate collar expired on March 31, 2003. At March 31, 2004, $10.0 million of our debt was subject to variable interest rates. A change in interest rates of one percentage point would change our cash interest by about $100,000 annually.

Due to the nature of our product lines, we have material sensitivity to some commodities, including particleboard, fiberboard, corrugated cardboard and hardware. We manage commodity price exposures primarily through the duration and terms of our vendor agreements. A 1.0% change in our raw material prices would affect our cost of sales by approximately $1.4 million annually.

In the third quarter of fiscal 2004, market prices for particleboard, our largest-cost raw material, increased about 20%.. We expect additional price increases in the last quarter of fiscal 2004, and perhaps beyond, as demand for particleboard has increased and suppliers have reduced capacity. Because we utilize first-in, first-out accounting for our inventory, not all of the price increases are reflected in our cost of goods sold for the first nine months of fiscal 2004. These price increases will reduce our operating margins and operating income for the remainder of fiscal 2004 and perhaps beyond.

We are endeavoring to reduce the impact of the price increases through our value analysis program and by the eventual inclusion of the higher costs in the pricing of our products. We are in the process of negotiating higher prices for our products with our customers; some of these negotiations have been concluded, while others are ongoing. In our value analysis program, we endeavor to remove costs from the production of a product without sacrificing utility or quality of the product. We cannot assure you that we will be successful in offsetting these or future potential price increases.

ITEM 4. CONTROLS AND PROCEDURES.

(a) O'Sullivan carried out an evaluation as of the end of the period covered by this report, under the supervision and with the participation of O'Sullivan's management, including O'Sullivan's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of O'Sullivan's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, O'Sullivan's Chief Executive Officer and Chief Financial Officer concluded that O'Sullivan's disclosure controls and procedures (1) were effective in alerting them, in a timely manner, to material information relating to O'Sullivan required to be included in O'Sullivan's periodic SEC filings and (2) were adequate to ensure that information required to be disclosed by O'Sullivan in the reports filed or submitted by O'Sullivan under the Exchange Act is recorded, processed and summarized and reported within the time periods specified in the SEC's rules and forms.

(b) There have been no significant changes in O'Sullivan's internal controls over financial reporting subsequent to December 31, 2003 that have materially affected or are reasonably likely to materially affect, O'Sullivan's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1.

On September 24, 2002, Montgomery Ward, LLC, *et al.*, Debtor in Possession, filed suit against O'Sullivan Industries in the United States Bankruptcy Court, District of Delaware, alleging that payments made by Montgomery Ward within 90 days prior to its bankruptcy constituted preferential transfers under the Bankruptcy Code that should be recovered from O'Sullivan Industries by Montgomery Ward, together with interest. The alleged payments aggregate $3.7 million. We responded to the suit denying we received any preferential payments. We have settled this litigation. The settlement is not expected to have a material impact on our results of operations.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) *Exhibits:*

A list of exhibits required to be filed as part of this Report is set forth in the Index to Exhibits, which immediately precedes such exhibits, and is incorporated herein by reference.

(b) *Reports on Form 8-K:*

During the quarter ended March 31, 2004, O'Sullivan furnished reports on form 8-K:

(i) under Items 7, 9 and 12 dated February 12, 2004 relating to the announcement of its earnings for the second quarter of fiscal 2004 ended December 31, 2003; and

(ii) under Items 7, 9 and 12 dated February 16, 2004 clarifying its financial results for the second quarter of fiscal 2004 ended December 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

O'SULLIVAN INDUSTRIES HOLDINGS, INC.

Date: May 14, 2004

By: ____________________________

Richard D. Davidson
President and
Chief Executive Officer

Date: May 14, 2004

By: ____________________________

Stuart D. Schotte
Senior Vice President of Operations and
Acting Chief Financial Officer
(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

Exhibit No.	Description	Page No.
3.1 & 4.1	Amended and Restated Certificate of Incorporation of O'Sullivan (incorporated by reference from Exhibit 2.4(a) to Appendix A to Proxy Statement/Prospectus included in Amendment No. 5 to Registration Statement on Form S-4 (File No. 333-81631) filed on October 29, 1999)	
3.2 & 4.2	Bylaws of O'Sullivan (incorporated by reference from Exhibit 3.2 to Registration Statement on Form S-1 (File No. 33-72120) filed on November 24, 1993)	
4.3	Specimen Senior Preferred Stock Certificate of O'Sullivan (incorporated by reference from Exhibit 3 to Registration Statement on Form 8-A (File No. 0-28493) filed on December 14, 1999)	
4.4	Indenture dated as of November 30, 1999, by O'Sullivan Industries, Inc., as Issuer, O'Sullivan Industries - Virginia, Inc., as Guarantor, and Norwest Bank Minnesota, National Association, as Trustee, relating to O'Sullivan Industries, Inc.'s $100,000,000 principal amount of 13.375% senior subordinated notes (incorporated by reference to Exhibit 4.4 to Quarterly Report on Form 10-Q for the quarter ended December 31, 1999 (File No. 0-28493) filed on February 14, 2000)	
4.5	Warrant Agreement dated as of November 30, 1999 between O'Sullivan Industries Holdings, Inc. and Norwest Bank Minnesota, National Association, as Warrant Agent, relating to warrants to purchase 39,273 shares of O'Sullivan Industries Holdings, Inc. Series B junior preferred stock, including form of warrant certificate (incorporated by reference to Exhibit 4.5 to Quarterly Report on Form 10-Q for the quarter ended December 31, 1999 (File No. 0-28493) filed on February 14, 2000)	
4.6	Warrant Agreement dated as of November 30, 1999 between O'Sullivan Industries Holdings, Inc. and Norwest Bank Minnesota, National Association, as Warrant Agent, relating to warrants to purchase 93,273 shares of O'Sullivan Industries Holdings, Inc. common stock, including form of warrant certificate (incorporated by reference to Exhibit 4.6 to Quarterly Report on Form 10-Q for the quarter ended December 31, 1999 (File No. 0-28493) filed on February 14, 2000)	
4.7	Amended and Restated Warrant Agreement dated as of January 31, 2000 between O'Sullivan Industries Holdings, Inc. and the holder thereof relating to warrants to purchase 39,273 shares of O'Sullivan Industries Holdings, Inc. Series B junior preferred stock, including form of warrant certificate (incorporated by reference to Exhibit 4.7 to Quarterly Report on Form 10-Q for the quarter ended December 31, 1999 (File No. 0-28493) filed on February 14, 2000_	
4.8	Amended and Restated Warrant Agreement dated as of January 31, 2000 between O'Sullivan Industries Holdings, Inc. and the holder thereof relating to warrants to purchase 93,273 shares of O'Sullivan Industries Holdings, Inc. common stock, including form of warrant certificate (incorporated by reference to Exhibit 4.8 to Quarterly Report on Form 10-Q for the quarter ended December 31, 1999 (File No. 0-28493) filed on February 14, 2000)	
4.9	Indenture dated as of September 29, 2003 between O'Sullivan Industries, Inc. and each of the guarantors party thereto and The Bank of New York, as Trustee, including form of Notes (incorporated by reference to Exhibit 4 to Current Report on Form 8-K dated September 29, 2003 (File No. 333-31282) filed on October 2, 2003)	